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From:

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To:

Cc:

Subject: RE: K-1 Discrepancies

We can make computational adjustments conforming partners' returns to a TEFRA partnership Schedules K-1, regardless of whether the partner is a direct partner, or indirect partner in the TEFRA partnership.

A partnership that has a flow through entity as a partner will always be subject to TEFRA. The fact that XYZ is a partner in ABC, and that XYZ is not itself a TEFRA partnership, does not prohibit us from making a direct assessment of the partners of XYZ based on the fact that XYZ filed inconsistently with ABC.

No TEFRA proceeding needs to be initiated in the above circumstances.